

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 16997 01 OF 02 030934Z

10

ACTION TRSE-00

INFO OCT-01 EA-07 NEA-10 ISO-00 IO-13 L-03 H-02 PA-01

PRS-01 SP-02 USIA-06 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OES-06

/111 W

----- 073906

R 030818Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2184

INFO AMEMBASSY DACCA

LIMITED OFFICIAL USE SECTION 1 OF 2 MANILA 16997

USADB

FOR NAC AGENCIES

E. O. 11652: ADS, DECLAS 2/3/77

TAGS: EAID, EFIN, BG

SUBJECT: PROPOSED ADB TECHNICAL ASSISTANCE TO BANGLADESH FOR
SECOND FISHERIES DEVELOPMENT PROJECT

SUMMARY: ADB MANAGEMENT PROPOSES \$270,000 EQUIVALENT TECHNICAL
ASSISTANCE (TA) GRANT TO GOVT. OF BANGLADESH TO FINANCE
FOREX COST OF FORMULATING A FISHERIES PROJECT, AND TO ASSIST
BANGLADESH AUTHORITIES IN PREPARING A FISHERIES DEVELOPMENT
PLAN. BASIC AIM IS TO ATTAIN INCREASED PRODUCTION OF FISH
AND FISHERIES PRODUCTS, BOTH ON DOMESTIC CONSUMPTION AND AS
POTENTIAL FOREIGN EXCHANGE EARNER.

1. ADB DOC. R110-76 WITH ATTACHMENTS DESCRIBING PROPOSED
GRANT POUCHED ADDRESSEES OCTOBER 29 AND WILL BE CONSIDERED
BY BORAD OF DIRECTORS NOVEMBER 18.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 16997 01 OF 02 030934Z

2. ADB MANAGEMENT PROPOSING \$270,000 TA GRANT TO GOVT. OF BANGLADESH. PROCEEDS WILL FINANCE FOREX COST OF FORMULATING AN INTEGRATED FISHERIES DEVELOPMENT PROJECT FOR POSSIBLE BANK FINANCING. CONSULTANTS WILL ALSO ASSIST BANGLADESH AUTHORITIES IN PREPARING FISHERIES DEVELOPMENT PLAN FOR CONSIDERATION FOR FORTHCOMING FIVE YEAR DEVELOPMENT PLAN (1978/79-1982/83). UNDER BANK PROCEDURES, ALTHOUGH PROPOSAL PROVIDES FOR TA ON GRANT BASIS, IF LOAN RESULTS, EXCESS OVER \$100,000 WILL BE CONVERTED TO SUBSEQUENT LOAN. TOTAL COST OF PROPOSED TA IS ESTIMATED AT \$292,000 WITH GOVT. TO PROVIDE \$22,000 LOCAL COST. A \$3.2 MILLION FISHERIES DEVELOPMENT LOAN TO BANGLADESH FOR PROVISION OF REFRIGERATION COMPLEX, REFRIGERATED FISH CARRIERS, REFRIGERATED TRUCKS AND ICE PLANT WAS APPROVED BY ADB BOARD IN JUNE 1973 AND IS IN PROCESS OF IMPLEMENTATION.

3. ESTIMATED 12 PERCENT RISE IN BANGLADESH GDP IN 1975/76 HELPED TO RECOVER GROUND LOST IN PREVIOUS YEARS OF CYCLONES AND WAR, AND FOR FIRST TIME BROUGHT LEVEL OF GDP ABOVE THAT OF 1969/70. RECORD HARVEST OF 1975/76 HAS ENABLED SUBSTANTIAL REDUCTION IN LEVEL OF FOODGRAIN IMPORTS, BUT THESE STILL TOTALED 1.6 MILLION TONS, EQUIVALENT TO 12 PERCENT OF DOMESTIC PRODUCTION. MOREOVER, DESPITE PROGRESS OF PAST YEAR AND IMPRESSIVE RECENT RECORD OF ECONOMIC REFORMS BY GOVERNMENT, EXTERNAL SITUATION HAS CONTINUED TO WORSEN. RISING IMPORTS, COMBINED WITH SLUGGISH EXPORTS AND DETERIORATING TERMS OF TRADE BROUGHT CURRENT ACCOUNT PAYMENTS DEFICIT TO ESTIMATED \$1.106 MILLION IN 1975/76, AND 1976/77 FOREIGN AID COMMITMENTS ARE ESTIMATED (BY IBRD) TO TOTAL \$953 MILLION.

4. IN ENVIRONMENT OF RECENT YEARS, GOVERNMENT HAS HAD TO REDUCE MOST INVESTMENT OBJECTIVES ENVISAGED IN FIRST FIVE YEAR PLAN (1973/74-1977/78). HOWEVER, GOVERNMENT HAS RETAINED A QUOTE HARDCORE PROGRAM UNQUOTE, PLACING EMPHASIS ON AGRICULTURE (INCLUDING FISHERIES) AND RURAL DEVELOPMENT WITH VIEW TO INCREASING RURAL INCOMES AND WELFARE, AS WELL AS TO ATTAINING FOOD SELF-SUFFICIENCY. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 16997 01 OF 02 030934Z

PROJECTS WHICH SEEK INCREASED FOOD PRODUCTION ARE ACCORDED HIGH PRIORITY.

5. PER CAPITA FISH CONSUMPTION IN BANGLADESH IS VERY LOW (10-12KG) IN COMPARISON WITH OTHER ASIAN COUNTRIES, OWING IN LARGE PART TO INADEQUATE PRODUCTION BECAUSE OF OBSOLETE AND INSUFFICIENT FACILITIES AND EQUIPMENT. PRODUCTION INCREASED BY ONLY 1.2 PERCENT P.A. TO 893,000

M.T. IN THREE YEARS TO 1973/74 (LATEST YEAR FOR WHICH DATA AVAILABLE). GOVERNMENT PER CAPITA CONSUMPTION GOAL OF 14 KG. BY 1980 WOULD IMPLY PRODUCTION LEVEL OF 1,411,000 M.T. THIS IN TURN WOULD REQUIRE EXPANSION AND MODERNIZATION OF FISHING FLEET, ESPECIALLY THAT PORTION OPERATING IN INLAND WATERS.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MANILA 16997 02 OF 02 030950Z

10

ACTION TRSE-00

INFO OCT-01 EA-07 NEA-10 ISO-00 IO-13 L-03 H-02 PA-01

PRS-01 SP-02 USIA-06 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OES-06

/111 W

----- 074112

R 030818Z NOV 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2185

INFO AMEMBASSY DACCA

LIMITED OFFICIAL USE SECTION 2 OF 2 MANILA 16997

USADB

FOR NAC AGENCIES

6. FISHING METHODS ARE MAINLY TRADITIONAL AND CARRIED OUT AT SUBSISTENCE LEVEL. ABOUT 95 PERCENT OF COUNTRY'S 77,000 (IN 1973/74) FISHING VESSELS WERE NON-MOTORIZED INLAND CRAFT. OFFSHORE TRAWLERS, WHICH FIRST OPERATED IN 1973, ARE LIMITED IN NUMBER BUT HAVE PRODUCED GOOD CATCHES. ICE MAKING, COLD STORAGE AND FREEZING FACILITIES HAVE EXPANDED IN RECENT YEARS, BUT REQUIRE CONSIDERABLE FURTHER DEVELOPMENT TO MEET GOVERNMENT'S FISH PRODUCTION GOALS.

7. INLAND FISHERIES ACCOUNTED FOR AN ESTIMATED 83 PERCENT OF TOTAL CATCH IN 1973/74, AS WELL AS AN ESTIMATED 600,000 OF TOTAL 800,000 EMPLOYED IN INDUSTRY. INLAND WATERS TOTAL 1.47 MILLION HECTARES, NOT INCLUDING 2.8 MILLION HA. OF PADDY WHICH COULD PRODUCE SIGNIFICANT AMOUNTS OF FISH. SOME 8 PERCENT OF COUNTRY'S FISH LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 16997 02 OF 02 030950Z

PRODUCTION DERIVES FROM AQUACULTURE WHICH HAS CONSIDERABLE POTENTIAL FOR EXPANSION. MARINE POTENTIAL LESS CERTAIN, BUT BANK BELIEVES CONSIDERABLE EXPANSION OF COASTAL SMALL FISHERIES POSSIBLE FROM STANDPOINT OF RESOURCE SUSTAINABILITY.

8. UNDER PROPOSED TA, CONSULTANT WOULD FORMULATE A NUMBER OF PROPOSED PROJECTS PERTAINING TO MARINE FISHERIES, INLAND FISHERIES, AQUACULTURE, MARKETING AND OTHER RELATED FIELDS. DUE ATTENTION WILL BE PAID TO SPECIFIC NEEDS OF POORER SEGMENTS OF POPULATION, AND KIND AND QUALITY OF FISH THEY WOULD BE ABLE TO AFFORD. AFTER DETERMINING PRIORITY OF VARIOUS PROJECTS, AN INTEGRATED FISHERIES DEVELOPMENT PROJECT WILL BE PREPARED FOR POSSIBLE BANK FINANCING. IN ADDITION, CONSULTANTS WILL BE REQUIRED TO REVIEW AND ASSESS OVERALL FISHERIES DEVELOPMENT PROGRAM AS AID TO BANGLADESH AUTHORITIES IN PREPARATION OF NEXT FIVE-YEAR DEVELOPMENT PLAN (1978/79-82/83). SPECIFIC CONSIDERATIONS TO INCLUDE NEED TO AUGMENT EXPORT EARNINGS; AVAILABILITY OF EXISTING RESOURCES; AND PREVAILING CONDITIONS OF FISHING INDUSTRY.

9. TOTAL FOREX COST OF FUTURE PROJECT, TO WHICH BANK NOT COMMITTED AT THIS STAGE, IS IN AREA OF \$15-25 MILLION. SIZE OF LOAN, PHASING OF PROJECT AND ITS VIABILITY WILL BE FURTHER EXAMINED UPON COMPLETION OF PROJECT FORMULATION, TAKING INTO ACCOUNT IMPLEMENTING CAPACITY OF POSSIBLE EXECUTING AGENCY.

10. EXECUTING AGENCY OF PROPOSED TA WILL BE FORESTRY, FISHERIES AND LIVESTOCK DIVISION (FFLD) OF MINISTRY OF AGRICULTURE, ASSISTED BY THE PLANNING COMMISSION, DIRECTORATE OF FISHERIES (DOF), BANGLADESH FISHERIES DEVELOPMENT CORPORATION (BFDC), BANGLADESH KRISHI BANK AND DEPARTMENT OF COOPERATIVES. UNDER FFLD, DOF AND BFDC ARE MAINLY RESPONSIBLE FOR INLAND FISHERIES AND AQUACULTURE AND MARINE FISHERIES DEVELOPMENT AND OPERATION OF ONSHORE FACILITIES, RESPECTIVELY. FFLD STAFF HAVE ADEQUATE KNOWLEDGE IN THESE AREAS; BANK CONSIDERS FFLD SUITABLE AS EXECUTING AGENCY.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 16997 02 OF 02 030950Z

11. SERVICES OF INTERNATIONAL CONSULTING FIRM TO BE ENGAGED WITH EXPERTISE IN FISHERY ECONOMICS/INSTITUTIONAL; MARKETING; AQUACULTURE; INLAND FISHERIES; BIOLOGY/ RESOURCES; FISHING OPERATIONS/GEAR TECHNOLOGY; ONSHORE FACILITIES. SEVEN EXPERTS ARE EXPECTD TO BE NEEDED FOR TOTAL 30 MAN-MONTHS.

12. PROPOSED TA WOULD MAKE A USEFUL CONTRIBUTION TOWARDS EFFICIENT AND PLANNED UTILIZATION OF UNEXPLOITED FISH RESOURCES AND ALSO TO IMPROVEMENT OF INCOME AND LIVING CONDITIONS OF FISHERMEN. USADB SUPPORTS PROPOSAL AND RECOMMENDS FAVORABLE NAC ACTION.

13. REQUEST DACCA'S COMMENTS FOR NAC AGENCIES, INFO USADB MANILA, PURSUANT TO STATE 119795 DATED 3 JULY 1972. SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FISHERIES, TECHNICAL ASSISTANCE GRANTS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA16997
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Film Number: D760409-1098
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761186/aaaacwnp.tel
Line Count: 245
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 01 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 JUN 2004 by buchant0>; APPROVED <29 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED ADB TECHNICAL ASSISTANCE TO BANGLADESH FOR SECOND FISHERIES DEVELOPMENT PROJECT SUMMARY: ADB MANAGEMENT PROPOSES \$270,000 EQUIVALE
TAGS: EAID, EFIN, EFIS, BG, ADB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006